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November 7, 1963

Dr. Frank J. Welch
Vice President
The Tobacco Institute, Inc.
808 Seventeenth Street, N.W.
Washington 6, D.C.

Dear Frank:

It was so pleasant for Dave Hardy and me to visit with you and we are most appreciative of your courtesy in coming to Kansas City in order that all of us might have a better understanding of that which you expect of us and the manner in which you felt the desired results should be accomplished.

The conversation extended over such a period of time and involved so many points, it occurred to me that it might be well for me to send to you, in as concise a form as possible, the basic understandings which resulted from our conversation, which are as follow:

The general undertaking will be broken down into two phases.

Phase One could be classified as the organizational phase. We are to receive from you the names and addresses of leaders in our States of the NAFD. These names are to be furnished you by Mr. Kolodny. Mr. Kolodny is to alert these gentlemen as to our identity and is to ask them to work with us. We are to make no contact in any State until clearance is received from you.

It is recognized that in some States there will be an active organization of the distributors and in some States there will be either no organization or a very loose knit organization.

In this connection, you will also give us the name of the manufacturing company's representative in each of our States who can put us in touch with the members of the Community Relations Committee heretofore established by the respective manufacturing company.

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Our responsibility is to do as much missionary work as we can and attempt to energize the distributors to the end that they can be an effective organization in the State to combat any proposed legislation which the industry considers punitive or restrictive. We will not have the ultimate responsibility of the success or defeat of any specific legislation, but we are to do our best to cooperate with the distributors to educate them and, in general, to create an atmosphere where we can be helpful to them. We are also to use our best efforts to establish pleasant and friendly relationships with other organizations in the State whose cooperation might be needed at a later date. We recognize the sensitivity of our dealings with the distributors, and also recognize your feeling of the necessity of waging any legislative battles through the distributors who are residents and businessmen of the State involved.

We are to report to you on the facts which we obtain as we make our original contacts and then, under your direction, will proceed in each State in accordance with your suggestions and directions.

In those States having an apparently well organized distributors' association, our job is to be primarily that of establishing good relationships, and making available educational materials along with organizational know-how.

In those States having no organization or one which is obviously ineffective, we are to proceed at once, after securing your approval, to get one man in such State whom it is believed is the best possible person, to educate him as to the problem involved and to work through him in establishing an organization which we can put into action quickly as the need arises. This one man would be paid by the Tobacco Institute on the basis of the reasonable value of the services he is called upon to perform. You have emphasized that even in this situation a close cooperation with the distributors must be maintained.

Even in those States where you conclude there is a good organization of distributors, we are to make an investigation to determine what good law firm or lobbyist you might desire to use in the event of an emergency or in a situation where it is indicated that the distributors' organization might need additional help.

This basically is Phase One and constitutes an educational-type of missionary work with the distributors.

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Source: https://www.industrydocuments.ucsf.edu/docs/yqwj0000

Phase Two deals with a situation where legislation is introduced which we want to defeat. We then are to work even more closely with the distributors to help them meet the particular situation, supply them with material, and any other ammunition which may be helpful. If necessary in your judgment, we employ our own lobby counsel who will work with the distributors, but not under their direction. In those states where there is no apparently effective distributors' organization, we activate under our own representative (previously employed as stated above) whatever organization you feel is needed, bearing always in mind your desire for close cooperation with the local distributors.

The above constitutes the two basic phases of the undertaking. We, of course, continue to make trips into the various States enlarging the circle of influential friends and cultivating the distributors in general.

The above constitutes our understanding of the extent of our responsibility and the limits of our authority. Of course, if this is not correct in any particular, we will expect you to advise us.

With warm personal regards, I am

Sincerely yours,

CLB:cmc

Charles L. Bacon

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